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October 1, 1996

Via Facsimile

Paul E. Mosley, Esq.  
O' Melveny & Myers  
Suite 1700  
610 Newport Center Drive  
Newport Beach, California 92660-6429

Dear Mr. Mosley:

AlliedSignal has received and reviewed your letter of July 2, 1996 and the Phase II site assessment reports for the McCaffrey Street and Liberty Street facilities. In accordance with Section 14.3(c) of the Asset Purchase Agreement dated as of November 9, 1995 between AlliedSignal Laminate Systems, Inc., AlliedSignal Inc. and Furon (the "Agreement"), this letter constitutes AlliedSignal's response to Furon's request that AlliedSignal "take action to remedy each Environmental Condition identified in the reports." AlliedSignal appreciates the cooperation thus far exhibited by Furon with respect to this matter, but finds itself in basic disagreement over the contractual basis for Furon's request.

In your letter, you assert that Furon's basis for this request arises under Section 14.1(e) of the Agreement. Section 14.1(e) does not trigger an indemnification obligation on the part of AlliedSignal in the event that Hazardous Substances are simply determined to have been present at one of the subject facilities at any time on or prior to the Closing Date. In order for Section 14.1(e) to be triggered, the presence of such Hazardous Substances must constitute an "Environmental Condition," which is defined in Section 4.10(a)(iii) to mean "the presence in, on or under the specified real property of any Hazardous Substance which requires investigation or remediation pursuant to any Environmental Law." Neither your letter nor the two accompanying reports set forth any basis for concluding that the various substances identified by the sampling described in the reports require investigation or remediation pursuant to any Environmental Law. For that reason, AlliedSignal believes that Section 14.1(e) of the Agreement has not been triggered and that it does not have any obligation to indemnify Furon.

At the same time, AlliedSignal is also mindful of our mutual desire to avoid a protracted wazzu "battle of the letters" over this matter. To that end, and without in any way waiving the position articulated above, AlliedSignal proposes to excavate certain soil in the immediate vicinity of the Liberty Street Boiler Room Sump. The proposed area of excavation is set forth in the attached diagram. With Furon's cooperation, excavated soil would be removed from this area and properly disposed of off-site, and clean fill would be used to replace the removed soil. With respect to

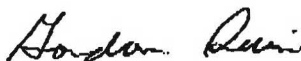
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McCaffrey Street, AlliedSignal does not believe that further investigation or remediation is warranted by the information presented in the report for this facility.

You may recall that you also discussed with Mike Prokop the further off-site management of certain drums that were filled with soil and water produced by Parsons' Phase II investigations at each facility. For the reasons previously set forth by Mike, AlliedSignal does not believe that it has any obligation under the Agreement to assume responsibility for the further management of these drums.

In closing, let me stress again that AlliedSignal firmly believes that its reading of the Agreement is correct. The proposal set forth in this letter constitutes a "once only" compromise offered to Furon in the sole interest of resolving the issues raised in your letter of July 2 without further unnecessary effort on the part of both parties. Once you have had a chance to review the matters raised in this letter with your client, please provide me with Furon's response to AlliedSignal's proposal.

Very truly yours,



Gordon D. Quin  
Assistant General Counsel

Enclosure

c: Beth Kellar  
Mike Prokop, Esq.  
Mark Armstrong  
Donald Bradley, Esq.  
Chairman of the Board, Furon Company

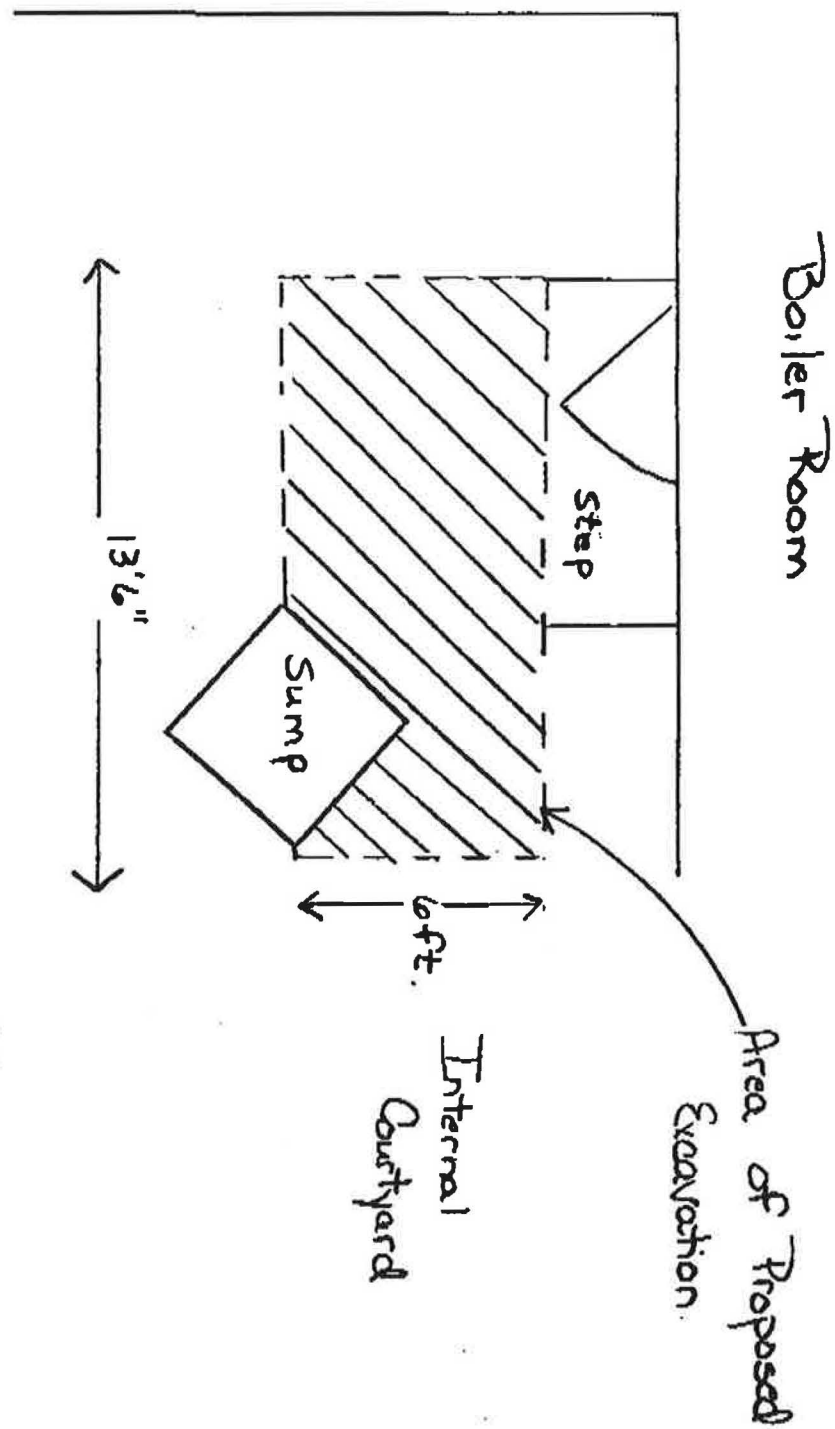


Figure 1